



State of Utah

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19 Charged with Fraud in Two Staged Accident Rings

19 suspects charged following a two year investigation by the State of Utah Insurance Fraud Division into two staged accident/insurance fraud rings operating in Summit and Utah Counties.

Summit County Ring

On Thursday May 29, 2014, charges resulting from a two year investigation conducted by the State of Utah Insurance Fraud Division were filed against 13 defendants by the Utah Attorney General's Office. Assisting with the investigation were agents with the National Insurance Crime Bureau (NICB) and the Statewide Intelligence and Analysis Center (SIAC).

On June 3rd and 4th, 2014 investigators from the Insurance Fraud Division with assistance from the Kamas Police Department, Summit County Sheriff's Office, and Park City Police Department, arrested or contacted twelve of the fourteen defendants who are charged with staging over 58 fraudulent paper accidents that never occurred. The staged accidents spanned a period of three years between March of 2010 and March of 2013.

The apparent ring leader, Diego Ibarra, enlisted thirteen co-defendants in submitting false auto accident claims alleging they had hit a deer or collided with other vehicles or objects while avoiding deer or were involved in parking lot collisions. None of the accidents were reported to police.

The co-defendants took turns transferring vehicle ownership and insuring the vehicles through at least 15 different insurance companies. The 25 vehicles used in the scheme had either damage from prior accidents or were intentionally damaged by the co-defendants. They were seldom repaired and were used for numerous claims.

The defendants sought over \$200,000 in insurance claims and received over \$100,000 in payments from these fictitious accident claims.

Utah County Ring

The arrests in Summit County followed charges filed recently by the Utah Attorney General's Office in another staged accident ring investigation by the Utah Insurance Fraud Division occurring in Utah County.

As of this date, charges have been filed and six suspects have been arrested, with more still under investigation by the State of Utah Insurance Fraud Division. The Utah County case involved more than 21 staged accidents using 19 different vehicles. The false claims resulted in insurance loss payments from eight insurance companies in excess of \$110,000.

The Utah County staged accidents were very similar to those in Summit County. The co-defendants claimed to have hit deer or collided with other vehicles or objects while avoiding deer or were involved in parking lot collisions.

J. C. Sueldo, the owner of a J.C. Auto Body in Provo, was the central controlling figure. Sueldo purchased vehicles from acquaintances that were moving out of the country. Sueldo enlisted the other co-defendants in renewing or maintaining insurance policies under the previous owners' names, in effect stealing the identity of 11 victims and had them file the false accident claims.

As a part of this process Sueldo maintained the appearance that his body shop was fixing the involved vehicles by creating false auto body repair invoices. The repairs were never made and the damages were repeatedly claimed in a number of different fraudulent insurance claims. Sueldo also created false invoices for rental cars he claimed to provide the co-defendants while their vehicles were being repaired. Sueldo left the country prior to charges being filed and is currently in Bolivia.

The Utah Insurance Department is a State agency. Its mandate is to regulate insurance marketed and sold in Utah. Currently more than 95,000 agents, agencies, and insurers are licensed; domestic insurers are audited to verify financial stability and compliance with insurance laws; administrative action is taken against licensees found to be in violation of insurance laws; calls from consumers with questions or complaints are taken; and licensees and consumers are educated regarding insurance. For more information visit <http://www.insurance.utah.gov/> or call toll free in-state @ 1-800-439-3805 or locally @ 801-538-3077.